

September 1, 2008

Honorable Michael F. Easley, Governor  
Office of the Governor  
20301 Mail Service Center  
Raleigh, NC 27699-0301

George Givens, Commission Counsel  
Environmental Review Commission  
Legislative Office Building  
Raleigh, North Carolina 27611

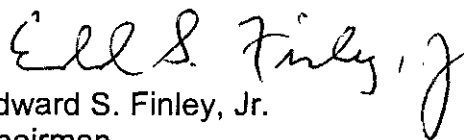
Steven J. Rose, Committee Counsel  
Joint Legislative Utility Review Committee  
Legislative Office Building  
Raleigh, North Carolina 27611

Dear Sirs:

Pursuant to Section 4(c) of Session Law 2007-397 (Senate Bill 3), the Utilities Commission hereby presents its report to the Governor of North Carolina, the Environmental Review Commission and the Joint Legislative Utility Review Committee regarding an analysis of whether rate structures, policies, and measures, including decoupling, in place in other states and countries that promote a mix of generation involving renewable energy sources and demand reduction should be implemented in North Carolina.

I understand that legislative counsel will distribute copies to the members of the Environmental Review Commission and the Joint Legislative Utility Review Committee. Thank you for your assistance.

Very truly yours,

  
Edward S. Finley, Jr.  
Chairman

ESF/LSW